

AB 1612 – WORKERS’ COMPENSATION

Assemblywoman Fran Pavley

IN BRIEF

Ensures that injured workers seeking treatment within an employer’s medical provider network (MPN) will be seen by a physician who understands the unique demands of workers’ compensation insurance.

THE ISSUE

Treating injured workers requires a great deal of specialized knowledge to ensure that approved treatment is delivered in a timely manner. The employee’s care will be denied or delayed if the treating physician does not understand the utilization review procedures or the administrative requirements under the recently enacted workers’ compensation reform. Many physicians, however, sign contracts without knowing that they were obligating themselves to accept workers’ compensation patients, or are coerced into accepting injured workers as patients even though they know they were not prepared to deal with the workers’ compensation system.

EXISTING LAW

SB 899 (Stats. 2004) introduced the concept of medical provider networks, or “MPNs”. The idea behind MPNs was that a network of skilled medical providers would be able to provide better care for the injured worker more efficiently than a large number of individual arrangements with providers. In exchange for utilizing an MPN, the employer received the ability to contain medical costs for a longer period of time. In theory, MPNs can benefit all parties by providing better care at a lower cost due to the increased efficiency of a network and the higher skill level of medical providers.

The MPN concept, however, is being undercut in its early stages by insurance companies that are unwilling to do the actual work of building a network of skilled providers with experience in the workers’ compensation system. Instead, certain insurance companies are simply creating MPNs out of their existing provider contracts and rushing to market with a product that does not fulfill the intent of workers’ compensation reform as provided in SB 899.

THE SOLUTION

Under this bill, a contracting agent shall remove a health care provider from its medical provider network (MPN) list if a health care provider notifies the contracting agent that the provider does not want to be included on the list.

SUPPORT

California Medical Association (Sponsor)
California Applicants’ Attorneys Association
California Society of Industrial Medicine and Surgery
California Society of Physical Medicine and Rehabilitation

FOR MORE INFORMATION

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